

Template 3

Rural Council Proposal



# Getting Started

Before you commence this template, please check the following:



You have chosen the correct template – only councils in Group C in the final report of the Independent Panel or that meet the Rural Council characteristics (and do not wish to complete template 1 or 2) should complete Template 3.

You have read a copy of the guidance material for Template 3 and instructions for completing each question.



You have completed the self-assessment of your performance, using the tool provided.



You have completed any supporting material and prepared attachments for your Proposal as PDF documents. Please limit the number of attachments and ensure they are directly relevant to your proposal. Specific references to the relevant page and/or paragraph in the attachments should also be included.



Your Proposal has been endorsed by a resolution of your council.



# Section 1: About your council's proposal

## Council details

Council name:	Coonamble Shire
Date of Council resolution endorsing this submission:	15 June 2015

### 1.1 Executive summary

*Provide a summary (up to 500 words) of the key points of your Proposal including current performance, the issues facing your council and how adopting the Rural Council and other options in your Proposal will improve your council's performance against the Fit for the Future measures.*

Council is already in a sound financial position following the initial evaluation against the *Fit for the Future* benchmarks.

Council met five of the benchmarks and did not achieve the benchmark in the Operating Performance Ratio and the Building and Infrastructure Asset Renewal Ratio. Council had a small operating deficit of -.055 (2013/14 – 3 year average). A more stringent application of capitalization thresholds and asset classifications would have seen a reduced deficit. Issues of service life and depreciation have been reviewed, Council's long term financial plan forecasts a positive result of around 1% to 5% over the forecast period.

The Building and Infrastructure Asset Renewal ratio fails to take account of the “lumpy” nature of asset renewal. An average of three years does not provide sufficient basis for what is a long term activity. For example, this financial year Council is renewing the town levee – should this be included as part of a three year cycle, the ratio would be met. This ratio also cannot be viewed independently of the infrastructure backlog ratio. With a 1.46% backlog Council has focused its resources in other areas in the interim – however has not lost sight of its obligation in the long term.

While this proposal highlights areas of concern that are causing inefficiencies in Council operations that are legislated and regulated upon Council by the State Government and its agencies, Council is focusing on issues and programs where it has the autonomy to be both sustainable and efficient in delivering service to its community.

Coonamble Shire shares resources with surrounding councils and on a regional basis. A sister-city relationship exists between Coonamble Shire Council and Campbelltown City Council allowing exchange of information, skill development and, for this Council, has been a valuable resource.

A merger with an adjoining council was considered, however with the community indicating total lack of support for such a move, Council resolved to submit an improvement program. Gilgandra Shire Council, likewise consulted with its community who were also not supportive of any amalgamation proposal.

Council is a provider of services to its community – this often calls for a balance of social and economic factors. Council's auditors have, for the past 10 years, stated that Council is in a sound financial position. This was verified by TCorp in March 2013 where the review identified Council as sound however it had a negative outlook. This outlook has been addressed through ongoing reviews of Asset Management Plans and critical analysis of a conservative long term financial plan which now places Council in a sustainable position for the foreseeable future.

The *fit for the future* process has brought focus to long term sustainability and Council believes this proposal is achievable, supported by sound asset plans and financial modelling and has sufficient flexibility to absorb economic shocks over the forecast period.

## 1.2 Scale and capacity

Did the Independent Local Government Review Panel identify the option that your council become a Rural Council?

*(i.e. your council was identified in Group C or B of the Panel's final report)*

**Yes**

If the Panel identified an alternative preferred option for your council, have you explored this option?

*(Group C Councils should answer 'NA')*

**NA**

### **STRATEGIC CAPACITY**

#### **(1) More robust revenue base and increased discretionary spending**

Average residential rates and average business rates are at 82% and 86% respectively of the comparative group average. Over time Council believes there is capacity to seek a special variation of rates to increase own source revenue. Through a 2.5% additional rate increase Council could raise an extra \$110,000. For equity purposes, the increase – if spread over the residential rate and business rate – would see an increase on average of approximately \$70 per assessment.

Council's quarry provides mainly for Council road works and internal use with local and opportunity sales. To date Council has been marketing product and pursuing sales. There is opportunity, given the quality of the product, for Council to increase revenue for its product through marketing and increasing production of this business unit. It is expected Council will be able to achieve an increase in sales of around \$200,000 per annum through a strategic positioning in the market.

Contract road works on the state highway provide Council with a source of discretionary revenue. Council has in the past received a steady income stream from this activity and expects this to be continued as Council actively submits works proposals to the Roads and Maritime Services (RMS) for highway work.

Council's own source revenue is in excess of 60% and forecast to remain over this percentage for the current ten year financial plan.

## **(2) Scope to undertake new functions and major projects**

Council has demonstrated a capacity to undertake and manage major projects. Council has undertaken an industrial land development subdivision of \$1,000,000, successfully commissioned a \$5,000,000 water treatment plant in the last two years and replaced all timber bridges with concrete bridges throughout the Shire at a cost of \$3,500,000. Council also project-managed the construction of two concrete bridges on behalf of the Warrumbungle Shire in recent years and completed the works on budget and on time.

Council is currently contracting an upgrade of the town levee at an estimated cost of \$9,000,000. Stage One has been completed six weeks ahead of schedule with efficiency savings made.

Using a combination of in-house expertise and outsourced contractors, Council will, in the near future, begin construction of Stages Two and Three of the levee project.

Council has extensive experience in road construction and has provided contract services to the RMS in the maintenance and reconstruction of state highways.

Council's infrastructure backlog is 1.46% (2014) – again demonstrating Council's capacity to undertake infrastructure projects and maintain its assets.

### **(3) Ability to employ wider range of skilled staff**

Council's organisational structure is flat, the management structure is lean and has a broad range of skills. The senior management team is stable with most of its members having been with Council for five years or longer.

Council is the largest employer in town, entry level staff are adequately sourced from the local labour market.

Where Council needs specialised staff skills that do not warrant a full time position, these skills have been purchased, often from a neighbouring council or outsourced on a needs basis.

### **(4) Knowledge, creativity and innovation**

Council has recently undertaken several innovative, informative projects under its community development obligations.

The library has undertaken culturally diverse and awareness projects. Council received the R H Dougherty Award in 2013 for Communication. Council also received a Highly Commended during 2012 for its Community Strategic Plan Strategy.

Staff work across traditional local government departmental boundaries. Core activity and skills are acknowledged and respected, each director, manager and supervisor understand the value of organisational matrix approach to providing service to the community.

Council is addressing ageing issues through its ageing population strategy – consultation has recently been completed and strategies are being identified. Similarly, Council has engaged the youth of the Shire through an active Youth Council that provides input on the issues relevant to the youth of the community.

### **(5) Advanced skills in strategic planning and policy development**

Coonamble has an overarching community strategic plan based around five themes:

- People
- Economy
- Environment
- Infrastructure
- Leadership



Council's long term financial plan has been developed from sound asset management plans. Council does achieve the benchmarked ratios within required timeframes for the *fit for the future* program.

Supporting Council's commitment to delivering its community strategic plan are its asset management plans, workforce strategy, delivery program and operational plan.

### **(6) Effective Regional Collaboration**

Coonamble Shire Council is an active member of the ORANA Regional Organisation of Councils (OROC). The 12 member councils have been collaborating and resource sharing for over 20 years. Council sees this arrangement continuing. Many activities undertaken by cooperation within the Region have resulted in not only cost savings, but the provision of services that would not otherwise have eventuated.

For all councils within the Region the Lower Macquarie Water Alliance has provided expertise in bringing water and sewer operations to best practice compliance.

The following activities are also conducted on a regional basis:

- Castlereagh-Macquarie County Council
- North Western Library Service
- Rural Fire Service Zone arrangements
- Waste and Recycling Contracts
- General Managers' Advisory Group
- Staff Networking arrangements
- Regional Procurement
- Regional Leadership Group – working towards State Government Regional Action Plans.

### **(7) Credibility for more effective advocacy**

Council recognises the importance of providing a credible voice in advocacy for service provision to its community. Council is an active member of OROC, Lower Macquarie Water Users' Alliance and various ORANA professional networking reference groups.

Council has civic and political leadership and is currently working with other government and non-government organisations to address a range of social concerns throughout the Shire.

Sound relationships have been built with State and Federal representatives and neighbouring councils to effect a strong regional strategic outlook.

#### **(8) Capable partner for State and Federal Agencies**

Council has demonstrated its ability to partner with other levels of government through the delivery of services on behalf of these agencies. In particular, Council contracts and completes road works on the state highway for the Roads and Maritime Services (RMS). Council operates a RMS motor registry agency.

Council is an active member of the Regional Managers' and Regional Leaders' network auspiced by the Department of Premier and Cabinet. Council is partnering with the Local Land Services to deliver land care services throughout the Region.

Coonamble Shire Council is also partnering with Regional Development Australia and the Department of Planning to develop an infrastructure plan for the Region.

#### **(9) Resources to cope with complex and unexpected change**

The financial position of Council is sound and there is flexibility with both short and long term financial plans to address contingencies and unexpected change. Council has had its long term financial plan reviewed by its internal auditor who has provided the opinion that Council is conservative in the nature of the assumptions underpinning its financial plans.

Council has reviewed its operation and risk strategy throughout the *fit for the future* processes to identify its current situation and its ability to manage into the future. Council believes that, should the need arise, it has capacity to source additional resources to meet demand or change. Over the *fit for the future* timeframe Council will be able to renew its infrastructure and provide restricted funds should the need arise for new infrastructure to be developed.

Council has also accepted that should there be unexpected change it is appropriate to review service levels through consultation with its community.

**(10) High quality political and managerial leadership**

Council has seven elected councillors and a mayor elected each year by these councillors. Councillors have a range of backgrounds representative of the community.

Council's management team is established and has an intricate knowledge of Council's operation and workforce requirements. Many members of Council's workforce have extensive experience in operational areas of Council activities. Staff has experience in delivering capital projects from planning to commissioning of assets, i.e. water treatment plant - \$5m; timber bridges replacement program and, currently, upgrading the town levee.

Council's management team has unity of purpose and is able to deliver to the community positive financial management – evidenced by its sound financial status as identified by the TCorp review.

Council continues to be in a position to manage within its means and has been capable of reviewing services and reducing its infrastructure backlog without sourcing additional funds through special variation rate rises.

## 1.2 Scale and capacity

Please demonstrate how your council meets the following characteristics of a Rural Council (optional if a Group C council).

Rural Council Characteristic	Your council's response
1. Small and static or declining population spread over a large area	Coonamble Shire Council is approximately 10,000 square kilometres in area, having a population of 4,030 (2011 Census). Indications are that the population is static within the three population centres from which Council has established facilities to provide service across the geographic area
2. Local economies that are based on agricultural or resource industries.	The local economy is based on agricultural industry with support industries catering to cropping, cattle and sheep production.
3. High operating costs associated with a dispersed population and limited opportunities for return on investment.	Council has seen a reduction in real operating expenses over the past five years. With the decisions made by Council relating to service levels, it is expected the efficiencies introduced will see a continuation of this trend.
4. High importance of retaining local identity, social capital & capacity for service delivery.	The community places great importance on its identity and social cohesion. The ability to deliver services locally is paramount to the identity of the town and district.
5. Low rate base and high grant reliance.	Coonamble Shire Council generates greater than 60% own resource revenue and has done so consistently for many years. Council is limited in its ability to increase rate revenue without undertaking the Special Variation Increase. It has been able to generate sufficient operating revenue from its own resource revenues.

6. Difficulty in attracting and retaining skilled and experienced staff.	Generally, Council has been able to maintain sufficient skilled staff to meet its operational requirements. Being a smaller non-metropolitan council, a more broad skill set is required than would be the case where more specialized roles are applicable
7. Challenges in financial sustainability and provision of adequate services and infrastructure.	Following from the TCorp review of Council in March 2013, Council reviewed its long term financial plan and asset service levels. A report was requested from The Luka Group, Council's Internal Auditor, who concluded that Council does "live within its means", has a conservative L.T.F.P. and goals are achievable and sustainable on an ongoing basis.
8. Long distance to a major or sub-regional centre.	Council is one hour to an hour and a half away from such a population centre.
9. Limited options for mergers.	The Coonamble community is keen to keep its local identity. Any merger would result in the boundaries of the new shire being in excess of 200 kilometres distant. The proposed amalgamation would see two towns of similar size vying for ascendancy in any new constituted LGA. Distance again from centre to centre would bring inefficiencies in service delivery.

## Section 2: Your council's current position

### 2.1 Key challenges and opportunities

Explain the key challenges and opportunities facing your council through a SWOT analysis.  
*(You should reference your Community Strategic Plan and any relevant demographic data for this section)*

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"><li>• Stable diverse economy</li><li>• Responsive to community needs</li><li>• Financially sound</li><li>• Strong working relationships with adjoining councils</li></ul>	<ul style="list-style-type: none"><li>• Lack of co-ordination with service providers</li><li>• Corporate knowledge is condensed</li><li>• Ageing infrastructure</li></ul>

**Opportunities**

- Review services and levels of service
- Improve asset utilisation
- Technology uptake
- Rationalisation of assets
- Increased regional co-operation

**Threats**

- Loss of skilled staff
- Loss of identity/ democracy
- Coal Seam Gas mining on water
- Loss of intellectual property through amalgamation

## 2.2 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-2.02%	-.96%	-1.48%	-4.58%
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	75.42%	76.03%	76.79%	78.97%
<b>Building and Infrastructure Asset Renewal Ratio</b> (Greater than 100% average over 3 years)	54.88%	63.43%	57.55%	56.86%



## 2.2 Performance against the Fit for the Future benchmarks

Sustainability			
Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	No	-1.78%	No
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	Yes	72.49	Yes
<b>Building and Infrastructure Asset Renewal Ratio</b> (Greater than 100% average over 3 years)	No	126.22%	Yes

If Fit for the Future benchmarks are not being achieved, please indicate why.

Council's renewal ratio has received a boost with the renewal of the town levee, this is a substantial renewal of a major asset. The renewal trend is more conservative out to the 2024/2025 financial year. Council continues to renew its assets at a ratio slightly better than 100%. Council has also received an additional Roads to Recovery instalment and additional grant funds under the Fixing Country Roads Program over the 2015/2016 financial year. This explains much of the magnitude of the increase in this ratio.

Council's operating performance ratio is marginally under the benchmark for the three year average. Council does achieve a positive operating result for the 2016/2017 financial year – this result remains positive each year thereafter, however a lag is evident due to a three year average incorporating previous years' results.

## 2.2 Performance against the Fit for the Future benchmarks

Infrastructure and service management				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	2.1%	2.05%	2.04%	1.82%
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	111.8%	106.79	105.12%	118.77
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	.25%	.24%	.27%	.20%

## 2.2 Performance against the Fit for the Future benchmarks

If Fit for the Future benchmarks are not being achieved, please indicate why.

Infrastructure and service management			
Measure/Benchmark	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	Yes	1.17%	Yes
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	Yes	109.25%	Yes
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	Yes	.52%%	Yes

## 2.2 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/Benchmark	2010/2011 performance	2011/2012 performance	2012/2013 performance	2013/2014 performance
<b>Real Operating Expenditure per capita</b> (A decrease in Real Operating Expenditure per capita over time)	4.09	4.074	3.87	3.73

## 2.2 Performance against the Fit for the Future benchmarks

Efficiency				
Measure/Benchmark	2013/2014 performance	Achieves FFTF benchmark?	Forecast 2016/2017 performance	Achieves FFTF benchmark?
<b>Real Operating Expenditure per capita</b> (A decrease in Real Operating Expenditure per capita over time)	3.73	Yes	3.62	Yes

If Fit for the Future benchmarks are not being achieved, please indicate why.

## 2.3 Water utility performance

*NB: This section should only be completed by councils who have direct responsibility for water supply and sewerage management.*

Does your council currently achieve the requirements of the NSW Government Best Practice Management of Water Supply and Sewerage Framework?

### Yes

*If no, please explain the factors that influence your performance against the Framework.*

In general the Coonamble Shire Council meets the requirements of the Best Practice Management of Water Supply and Sewerage through the existing suite of in-house policies, annual operational plans and asset management strategies. All are reviewed on an annual basis and rewritten in accordance with the requirements of the State Government's Integrated Planning and Reporting framework. The existing water supply and sewerage strategic framework is part of Council's Resourcing Strategy aimed at ensuring that the community's long term strategic goals are met. Specifically :

- 1. Strategic Business Planning** - addressed through the existing Integrated Planning and Reporting framework.
- 2. Pricing** - *achieved.*
- 3. Water Conservation** - the core of the Council water Conservation Program is the assets management system and community engagement program. Our preventative, corrective maintenance and asset replacement programs, together with regular updates of the asset register date, ensure the integrity of our water supply and sewerage systems. In the last 12 months Council has updated its demand management system and included computer-based modeling to facilitate advanced demand analysis.
- 4. Drought Management** - to be developed through the Lower Macquarie Water Utilities Alliance.
- 5. Performance Reporting** - *achieved.*

**6. *Integrated Water Cycle Management*** – to be developed through the Lower Macquarie Water Utilities Alliance.

Council acknowledges that there are some aspects of strategic framework that still need to be addressed. Consequently, the Council is actively working to address them on a regional basis within the network of the members of the Lower Macquarie Water Utilities Alliance. The Alliance is in the process of securing consulting services to develop strategic framework for its members, including Coonamble Shire. It is expected that the following plans and strategies will be updated or rewritten to ensure that the strategic framework is fully consistent with the State Government requirements:

- Integrated Water Cycle Management Strategy
- Strategic Business Plan
- Servicing Plan
- Drought Management Plan
- Demand Management Plan.

How much is your council's current (2013/14) water and sewerage infrastructure backlog?

**\$875,000**



## 2.3 Water utility performance

Identify any significant capital works (>\$1m) proposed for your council's water and sewer operations during the 2016-17 to 2019-20 period and any known grants or external funding to support these works.

Capital works			
Proposed works	Timeframe	Cost	Grants or external funding
Refurbish No 4 Reservoir	2015/16	21,000	Council funds
Mains Replacement	2015/16	488,000	Council Funds
Telemetry	2015/16	16,000	Council Funds
Treatment Plant Upgrade	2015/16	160,000	Council funds
Sewer Mains Replacement	2015/16	360,000	Council Funds
Pump Station Upgrade	2015/16	35,000	Council Funds

## 2.3 Water utility performance

Does your council currently manage its water and sewerage operations on at least a break-even basis?

**Yes**

*If no, please explain the factors that influence your performance.*

## 2.3 Water utility performance

Identify some of your council's strategies to improve the performance of its water and sewer operations in the 2016-17 to 2019-20 period.

These may take account of the Rural Council Options in Section 3.

Improvement strategies		
Strategy	Timeframe	Anticipated outcome
Develop Integrated Water Cycle Management Strategic Plan. To include water conservation measures.	2016/17	Ongoing compliance with best practice management of Water and Sewer Services.
Develop Strategic Business Plan. To be addressed through Integrated Planning and Reporting and membership of Lower Macquarie Water Users' Alliance	2015/16	Increase strategic capacity and direction for long term asset rationalization and maintenance
Review Liquid Trade Waste Policy	2015/16	Ensure the integrity of the sewerage system and equity in pricing, relevant to the load placed on the system.
Review and update Management Plans for Water and Sewer Functions	Ongoing – Annually	Identification and prioritization of council service delivery over the long term. Compliance with best practice within Water and Sewer Framework.

## Section 3: Towards Fit for the Future

### 3.1 How will your council become/remain Fit for the Future?

Outline your council's key strategies to improve performance against the benchmarks in the 2016-20 period, considering the six options available to Rural Councils and any additional options.

Option 1: Resource sharing				
Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Council is an active member of the Orana Regional Organisation of Councils (OROC).</p> <p>OROC councils currently share resources where feasible and economically viable. Shared services are also currently undertaken between neighbouring councils.</p> <p>Of particular importance to the OROC councils is the benefit derived from group purchasing and procurement services which are undertaken on behalf of all member councils.</p>	<p>(1) Council review its corporate functions to determine the cost benefit &amp; opportunity for sharing and outsourcing services.</p> <p>(2) Council determine the commercial characteristics of its service delivery and functions that may be more effectively and efficiently delivered through outsourcing.</p>	<p>June 2017</p> <p>June 2017</p> <p>June 2017</p>	<p>Internal salary of review team \$60,000</p>	<ul style="list-style-type: none"> <li>• Loss of autonomy within organization</li> <li>• Loss of corporate knowledge</li> <li>• Resistance to accept changes</li> <li>• Non-economic costs uncertain.</li> </ul> <p>Risks are generally non-financial. Consensus is that organizational skill levels will reduce should council structures change or be reduced.</p>

<p>Sharing of governance already takes place through the formal OROC Board Meetings and the General Managers' Advisory Committee activity.</p> <p>Six member councils currently share audit committee function and share internal auditors, reducing the cost burden for each council and providing for information sharing on issues common to like councils.</p> <p>Four councils currently operate a successful co-operative arrangement for the provision of library services. This reduces cost and provides increased service to library patrons through both book stock and provision of up to date technology equipment within the region.</p> <p>The Lower Macquarie Water Users' Alliance is an example of resource sharing between all 12 councils to achieve best practice, share staff skill and experience in a practical manner for the provision of water and sewer services across much of central and north western NSW.</p> <p>Other shared services and resources include:</p> <ul style="list-style-type: none"> <li>• Netwaste activity – waste management processes</li> </ul>	<p>(3) Council identify opportunities to work collaboratively with neighbouring councils or through sister city relationships.</p> <p>(4) Ensure procurement is well planned and procurement officer involved with OROC procurement professional group.</p>	<p>June 2017</p>	<p>Internal salary of review team \$60,000</p>	
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<ul style="list-style-type: none"> <li>• Tourism</li> <li>• Staff networking: <ul style="list-style-type: none"> <li>Human Resources</li> <li>Finance</li> <li>General Managers</li> </ul> </li> <li>• Weed control (Castlereagh-Macquarie County Council)</li> <li>• Energy management</li> <li>• Economic Development</li> <li>• Rural Fire Service functions</li> <li>• OROC Regional procurement</li> </ul> <p>Current resource sharing activity being undertaken by Council has assisted Council in containing costs that otherwise would have escalated if it were not for such initiatives as bulk purchasing and skill development. Council is in a sound sustainable position - resource sharing has been a strategy that has supported Council's position.</p> <p>Council estimates the following savings have been made over the past five years from participation in resource sharing arrangements:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Weed management</td> <td style="text-align: right;">\$100,000</td> </tr> <tr> <td>Library services</td> <td style="text-align: right;">\$300,000</td> </tr> <tr> <td>Bulk purchase – electricity</td> <td style="text-align: right;">\$100,000</td> </tr> <tr> <td>Fuel</td> <td style="text-align: right;">\$100,000</td> </tr> <tr> <td>Procurement activities</td> <td style="text-align: right;">\$100,000</td> </tr> </table>	Weed management	\$100,000	Library services	\$300,000	Bulk purchase – electricity	\$100,000	Fuel	\$100,000	Procurement activities	\$100,000				
Weed management	\$100,000													
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Bulk purchase – electricity	\$100,000													
Fuel	\$100,000													
Procurement activities	\$100,000													

<p><b>Proposed Objectives &amp; Strategy:</b></p> <p>Council will continue to participate with other local governments to strengthen and review opportunities for resource sharing. Council sees the joint organization taking a lead role in managing and organizing resource sharing initiatives. An area still to be reviewed by this Council and its neighbours is the resourcing of shared council office functions. Any initiatives in this area need to be soundly based and costs and benefits identified. A financial benefit is not necessarily a community benefit and can have a negative impact on community cohesion through skill loss or population decline - non financial cost.</p> <p>Sound governance arrangements will need to be developed if councils proceed to share basic office functions.</p> <p><i>Objectives</i></p> <p>(1) Council optimize its knowledge sharing and staff skills.</p> <p>(2) Council provide efficient service through a range of service delivery models.</p>				
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<p><i>Strategies</i></p> <p>(1) Undertake corporate review with recommendations for sharing and outsourcing services</p> <p>(2) Review and assess the benefits of group procurement against the ease of implementation and cost/benefit to the local economy.</p>				
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**How will your proposal allow your council to become/remain Fit for the Future against the criteria?**

Efficiency	Infrastructure and Service Management	Sustainability
<p>Council recognizes there are efficiency gains to be made through resource sharing / outsourcing. Regional benefits may be obtained through strategic planning for functions that align more closely with state regional boundaries. It is anticipated that the review outlined above will conclude by June 2016 with recommendations for further action. Precise impact on efficiency will not be known until that time.</p>	<p>Funding will be freed up to invest in infrastructure maintenance and/or renewal</p>	<p>Resource sharing has and will continue to provide for efficiencies to be maintained resulting in expenditure reduction and improved sustainability benchmark ratio indicators</p>

### 3.1 How will your council become/remain Fit for the Future?

Option 2: Shared administration				
Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Staff has been sourced and developed to manage council's operations efficiently. Advantage is taken of networking and skill development outside Council boundaries with other local government authorities, however it is felt this is "resource sharing"</p> <p>Council considers the following current practices are already a form of shared administration:</p> <p><i>Procurement</i> – the development of specifications &amp; co-establishment of requests for tender purchasing for competitive goods and services is undertaken by the council with the relevant skills on behalf of other member councils.</p>	<p>(1) Formalise Joint Organisation Charter</p> <p>(2) Review shared finance, human resources &amp; information technology administration opportunities with Joint Organisation members</p> <p>(3) Commence action on recommendations, if appropriate, including governance arrangements</p>	<p>June 2017</p> <p>September 2017</p>	<p>Costs of implementation. Potential to consider Innovation Fund</p>	<p>Concern needs to be raised where shared administration may result in loss of employment in local government areas. Hard economic rationalism has a detrimental effect on the community where population decline is already an issue.</p> <p>The cost/benefit of transactional functions under a shared administration principle may not be considered acceptable to the local community.</p>

*Financial Operations* – the provision of external and internal audit services are co-ordinated by an individual council with each council making its own member appointments in accordance with Local Government legislation.

*Library Services* – administered by a single council on behalf of the four co-operative local government authorities.

The general managers of Coonamble, Warren, Gilgandra and Bogan, all adjoining shires, have looked at the potential for sharing a general manager and/or MANEX staff.

It was considered that due to the nature of each local government area, such as scale and capacity, concerns recognized by the Office of Local Government, this arrangement is not feasible.

The geographic area covered by shared senior staff is considered too vast to achieve any benefit from any derived shared administration.

General managers and executive staff of these councils are very “hands-on” in terms of operational capacity. Without additional support structures in place at a cost that negates any benefit, such an administration could not be shared. The result would be an added bureaucratic impost on these communities. Although the current Local Government Act would allow such arrangements, operational complications would arise from parochial concerns of each local government elected council.

It is recognised that areas of operations where there is a high degree of commonality of function may present potential opportunities for shared service arrangements.

The following are considered practical areas to pursue:

- Finance
  - (Financial Analyst
  - (Capital Planning
  - (Audit Management

<ul style="list-style-type: none"> <li>• Human Resources (Industrial Relation (Training &amp; Dev. Services (Work Health &amp; Safety</li> <li>• Information Technology (Application development (Telecommunications (Software/hardware support</li> </ul> <p><i>Objective</i> (1) Council provide effective and efficient administrative services.</p> <p><i>Strategies</i> (1) Council examine opportunities and identify avenues for shared administration arrangements.</p> <p>(2) Develop appropriate governance arrangements between the participating organisations to support any shared administration arrangements.</p>				
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**How will your proposal allow your council to become/remain Fit for the Future against the criteria?**

Efficiency	Infrastructure and Service Management	Sustainability
<p>Efficiency gains may be made through shared administration functions but the extent of this will not be known until the completion of a comprehensive review</p>	<p>Not of immediate relevance, subject to further consideration.</p>	<p>Subject to final structure and functions of a Joint Organisation.</p>

### 3.1 How will your council become/remain Fit for the Future?

Option 3: Speciality services				
Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Speciality services is an area Council believes has potential to assist in efficient delivery of services across council boundaries.</p> <p>Council operations have many aspects that are unique to local government operations. Generally recognized is strategic planning, specific IT requirements, property based services including rates and services.</p> <p>It is recognised that a centre of excellence model, or of one council selling service expertise to another is different to a shared service model. Council believes there is a place for this model within the context of the Rural Council Structure. Such expertise will need to be identified by each Council or co-ordinated by a Joint Organisation and marketed accordingly.</p>	<p>(1) Joint organisation develop terms of reference</p> <p>(2) Joint organisation review the expertise available within the group and determine data base of skills</p> <p>(3) Joint organisation make opportunities known to member councils.</p> <p>(4) Engage a consultant to develop a market analysis and marketing plan for the Quarry</p>	<p>Within 12 months of any ORANA JO being formed</p>	<p>To be determined in accordance with the role played by the JO. It is expected this will be an operational cost/issue under the charter of a JO</p>	<p>Member councils may not possess the level of skill required to establish a “centre of excellence”.</p> <p>There may be disparity between the speciality services offered and those that are sought by member councils.</p>

The success of any speciality service provision is dependent upon a council:

- being able to attract and retain skilled and competent staff
- being able to identify clearly the service proposed
- being able to have sufficient slack within function and activity
- being able to respond in a timely manner
- being able to offer long term reliability.

Council has, in the past, provided speciality information technology and engineering services to neighbouring councils.

*Proposed Objectives & Strategy*

Council believes a Joint Organisation can play a pivotal role in initially identifying and co-ordinating specialist knowledge across the eight councils identified to form the ORANA Joint Organisation.



<p>Council currently operates the Magometon Quarry which has been identified as having potential to increase own source revenue. Having high grade product that is able to be produced to individual council's specifications presents an opportunity to explore potential markets.</p> <p><i>Objectives:</i></p> <p>(1) Council provide efficient services through membership of an ORANA speciality services arrangement.</p> <p>(2) Council maximize existing Quarry operations.</p> <p><i>Strategies:</i></p> <p>(1) An ORANA Joint Organisation be tasked with identifying and co-ordinating expertise available across councils that will assist all council members of the JO.</p> <p>(2) Investigate market potential of the Magometon Quarry.</p>				
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**How will your proposal allow your council to become/remain Fit for the Future against the criteria?**

Efficiency	Infrastructure and Service Management	Sustainability
<p>Knowledge of and access to specialist skills or services provided by member councils of a joint organisation will increase efficiency by reducing duplication of maintaining individual knowledge bases. Synergies may be achieved across the individual council service deliveries.</p>	<p>Should a successful outcome be obtained through the joint organisation model, potential is achieved to improve physical infrastructure assets, as well as increased service levels to the community</p>	<p>The ability to obtain a skill set when needed, rather than maintain a skill set for less than capacity utilisation within a council will reduce the cost burden on a local council. It will also ensure the skills are maintained at the appropriate contemporary level.</p> <p>Developing the Magometon Quarry's placement in the market has the potential to increase Council's own source revenue capacity.</p>

## 3.1 How will your council become/remain Fit for the Future?

Option 4: Streamlined governance				
Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Council recognises the importance of appropriate governance and its effect on the viability of the organisation.</p> <p>Council's financial governance includes modern and robust computer-based financial systems, suitably qualified and experienced staff available to manage the finances and a suitably qualified and appropriately independent internal audit committee.</p> <p>Developing Council's community leadership and decision making processes may assist in strengthening its position. It is essential that all members of the organisation are aware of the vision and strategies contained within the Coonamble Shire 2026 Community Strategic Plan and that governance is accountable, transparent and equitable.</p>	<p>(1) Incorporate identified objectives into Council's Delivery Program and Operational Plan. In this manner objectives remain in focus and take advantage of the strengths of the integrated planning and reporting process</p> <p>(2) Recruit and appoint a Governance Officer</p> <p>(3) Provide broad governance training to councillors and senior staff</p> <p>(4) Review number of councillors and the number of meetings held each year – subject to legislative requirements</p> <p>(5) Review committee structure – functions and authority of s.355 Committees</p>	<p>(1) 30 June 2016</p> <p>(2) 30 June 2017</p> <p>(3) 30 June 2017 – allowing the new council to undertake necessary training and workshops</p> <p>(4) 31 December 2017 allowing time for new councillors and council to understand their role and that of any legislative changes following the review of the LG Act.</p>	<p>\$80,000/annum (incl. on costs)</p> <p>\$20,000</p>	<p>Poor performance of Council as an organisation. It will be unable to provide for best interests of Shire's residents and ratepayers</p> <p>Risk of inefficient, ineffective management of the organisation where the councillors, as a council, fail to adequately understand their role and responsibility.</p>

<p><i>Proposed Objectives &amp; Strategies:</i></p> <p><i>Objective:</i></p> <p>(1) Provide effective and efficient governance.</p> <p><i>Strategies:</i></p> <p>(1) Review governance to ensure accountability, efficiency and ethical decision making and that all parties are aware of their roles and responsibilities within the organisation.</p> <p>(2) Review governance arrangements to ensure that they are fit for purpose, integrating intelligence, risk management, planning, evaluation and reporting.</p> <p>(3) Engage a Governance Officer to coordinate governance reviews and streamline internal governance structures.</p>	<p>(6) Lobby the NSW State Government to review reporting requirements of local councils to ensure excessive non-value adding reporting is removed.</p>	<p>(5) 31 December 2017 allowing the new council time to understand its role and that of various committees that assist in either managing functions or provision of advice to council.</p> <p>(6) Dependent upon the review of services by Council and any review of the LG Act, Regulations and Office of Local Government codes of practice.</p>		<p>Practices of Council could ultimately be found to be corrupt, leading to loss of confidence in Council by the community of removal of the elected body by the OLG.</p>
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**How will your proposal allow your council to become/remain Fit for the Future against the criteria?**

Efficiency	Infrastructure and Service Management	Sustainability
<p>A strong governance system will ensure policies are implemented ethically, with integrity and within the rule of law. Improvements in this area may have a positive effect on efficiency.</p>	<p>N/A</p>	<p>A strong focus on governance will enhance organisation performance and allow for longer term decision making and improved planning function.</p>

### 3.1 How will your council become/remain Fit for the Future?

Option 5: Streamlined planning, regulation and reporting				
Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Council reports to both the Office of Local Government and its community.</p> <p>Reports to the community include the Community Strategic Plan, the Delivery Program and the Operational Plan.’</p> <p>Requirements for Integrated Planning and Reporting (IP&amp;R) are regulatory and Council compliance is required. The IP&amp;R requirements are often described as ‘streamlined’ however Council, while acknowledging the benefits that flow from these requirements, has found them to be both resource intensive and costly. A small rural council struggles with the capacity and, with limited staff holding the necessary skills, is effectively forced to outsource such plans and the necessary consultation to develop the document.</p>	<p>(1) Prepare submission to Office of Local Government addressing requirements of Local Government Code of Accounting Practice and Financial Reporting.</p> <p>(2) Prepare submission to NSW Government addressing level of bureaucracy experienced by councils</p> <p>(3) Investigate further opportunities for joint planning after formalisation of Joint Organisation</p> <p>(4) Conduct review of internal reporting processes and make recommendations for improvement</p>	<p>To be put to annual conference in 2015 as a motion</p>	<p>Costs of undertaking the activity are, from a council perspective, minimal. Potential savings on council resources could be substantial.</p> <p>Included in Governance Officer role</p>	<p>A balance needs to be struck between over regulation and laissez-faire. Authorities need to be accountable, but not shackled and impotent in their ability to respond to the community needs.</p>

Councils are required to develop Local Environment Plans, State of Environment Reports, Annual Reports, Delivery Program Reports, Operational Plan Reports and a voluminous set of Annual Financial Statements that now total over 120 pages. Small councils do not have the expertise to undertake many of these tasks and they are outsourced. The review should investigate the eventual use of these detailed documents and determine their status of worth.

Council currently streamlines planning processes through its involvement with sub-regional groups as follows:

(1) State of the Environment Report (SOE). Produced in collaboration with the Central West Catchment Management Authority. The report details the state of the Central West Catchment including the local government areas of Bathurst, Blayney, Bogan, Bourke, Cabonne, Coonamble, Cowra, Dubbo, Gilgandra, Lachlan, Mid-Western, Narromine, Oberon, Warren, Warrumbungle and Wellington

(2) Western Councils Sub-Regional Land Use Strategy – in conjunction with Bogan, Gilgandra, Narromine and Warren Councils.

(3) Council is also a member of the Western Region Joint Planning process.

*Proposed Objectives & Strategy*

*Objective:*

(1) Council will undertake effective planning and reporting functions with minimal regulatory burden.

*Strategies:*

(1) Lobby the Office of LG to review the level of detail required under the LG Code of Accounting Practice and Financial Reporting for smaller non-metropolitan or regional councils.

(2) Lobby the NSW Government to review the amount of red tape imposed on councils by the State Government.

(3) Council to participate in joint planning and regional initiatives at the JO level where appropriate.

(4) Strengthen internal reporting processes.



**How will your proposal allow your council to become/remain Fit for the Future against the criteria?**

Efficiency	Infrastructure and Service Management	Sustainability
<p>Over regulation is a burden on councils in both cost and staff inefficiency. Less regulation and less prescription will result in a more responsive, efficient service to the community.</p>	<p>Currently country councils spend a disproportionate amount of time and other resources in compliance where these resources could be better directed into maintenance of assets and provision of service.</p>	<p>A reduction in costs imposed on a council by other levels of government can only assist councils freeing up resources to be used to offset current service costs.</p> <p>Through reductions in red tape, councils can divert additional resources to the key core components of its operations – to provide services to its community.</p>

### 3.1 How will your council become/remain Fit for the Future?

Option 6: Service review				
Proposal	Implementation	Proposed milestones	Costs	Risks
<p>Council's financial capacity in the past has been sound as determined by TCorp by the Financial Assessment, Sustainability and Benchmarking Report – 13 March 2013. Although having a sound base from which to begin, Council needs to ensure it is positioned soundly over the coming decade.</p> <p>Council considers a service review essential to resourcing of a sustainable future. Sustainability is, in essence, the ability of the organisation to provide the level of service agreed with the community.</p> <p>Council is charged under the current Local Government Act, Chapter 3, with the following charter:</p> <p>To provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively.</p> <p>To exercise community leadership</p>	<p>(1) Receive feedback on Council's Fit for the Future proposal</p> <p>(2) Subject to an assessment as Fit for the Future, establishment of a project team</p> <p>(3) Development of communication and consultation plan</p> <p>(4) Internal services review</p> <p>(5) Analysis of internal review</p> <p>(6) Community consultation period</p> <p>(7) Analysis of internal and external data &amp; development of recommendations</p>	<p>October 2015</p> <p>June 2015</p> <p>July – Dec 2016</p> <p>Jan 2017</p> <p>Apr – Sept 2017</p> <p>Oct 2017 – Feb 2018</p> <p>March – June 2018</p>	<p>Preliminary estimates indicate to conduct a service review is in the vicinity of \$75,000 – inclusive of staff time.</p> <p>A case will be put forward to the Innovation Fund offered by the NSW Govt to help small councils with a population of 10,000 develop innovative ways of working.</p>	<p>Politically unpopular with some sections of the community.</p> <p>May result in reduced service levels.</p> <p>Political interference with the process</p> <p>Single issues may dominate</p> <p>Self interest lobby groups may dominate.</p>

<p>To exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism.</p> <p>To promote and to provide and plan for the needs of children.</p> <p>To properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development.</p> <p>To have regard to the long term and cumulative effects of its decisions.</p> <p>To bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible.</p> <p>To engage in long-term strategic planning on behalf of the local community.</p> <p>To exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights.</p> <p>To facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government.</p>	<p>(8) Recommendations of review to Council to be incorporated into CSP &amp; Delivery Program</p>			
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To raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants.

To keep the local community and the State Government (and through it, the wider community) informed about its activities.

To ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the Council is affected.

To be a responsible employer.

While council has in the recent past reviewed discrete areas of operation it is considered a whole of service review would be beneficial if conducted during the review of the Community Strategic Plan (CSP) and formulation of the Delivery Program.

IP&R processes have now been in effect for much of the current council's term. A review of the CPS would be appropriate under the IP&R guidelines. A council must review the CSP every four years and complete the review by 30 June in the year following the local government elections.

The implementation of the review will necessitate the creation of a project team with sufficient skill and authority to ensure a robust review is undertaken. Expertise will be required to bring to the attention of Council hard decisions that need to be made in order to maintain sustainability over the long term.

A project brief will need to be developed to provide terms of reference for the review.

*Objective:*

(1) To deliver services as efficiently and cost effectively as possible.

*Strategies:*

(1) Align community needs and quality cost effective service delivery across the agreed functions and services of Council.

(2) Undertake a whole of organisation service review to identify core services, discretionary services and those provided for other levels of government/organisation.

**How will your proposal allow your council to become/remain Fit for the Future against the criteria?**

Efficiency	Infrastructure and Service management	Sustainability
<p>A service review would bring Council’s focus to enhanced quality of service and potentially a reduced cost of service.</p> <p>Services suited to resource sharing, outsourcing or alternative methods of delivery would be identified.</p> <p>Priority of service could be identified and asset utilization rationalized. The level of service would also be defined as an integral part of the service review process.</p>	<p>Identification of priorities and efficiency gains will allow surplus to be utilized for infrastructure maintenance and renewal. Service delivery methods may change, which may incorporate a range of innovative delivery models.</p>	<p>Exploring other options of efficiency through different service delivery models if adopted by Council will improve financial sustainability of the Council over the longer term.</p> <p>There are policy implications that need to be considered for Council to improve sustainability. Policies, procedures and legislative requirements often have an unintended negative consequence on financial sustainability.</p>

## 3.1 How will your council become/remain Fit for the Future?

### Proposal

Council has identified many additional options that need to be addressed that will assist it become fit for the future.

#### **(1) Appropriate State Government Planning**

Within the region that Coonamble Shire Council operates and that within which many of its neighbours operate, there is no efficient State Regional Plan. Council now has a Community Strategic Plan that has been operational for three years, developed through the integrated planning and reporting principles.

The absence of a State Plan can leave councils directionless when they try to mesh their long term goals and priorities with non-existent State objectives. A State Plan that considers the direction the western councils' communities and those of the State Government is needed. Councils have their planning and reporting in order.

#### *Proposed Objectives & Strategy:*

##### *Objective*

(1) Council's planning aligns with the NSW Government Regional State objectives.

##### *Strategy:*

(1) Lobby NSW government to produce a responsive and appropriate Regional State Plan.

#### **(2) Cost Shifting**

Cost shifting is a real burden for councils attempting to be fit for the future. State Government regulation is forced upon councils requiring them to undertake activities, generally of a regulatory or enforcement nature, without adequate resourcing. Over time, any resourcing provided is reduced through less dollars made to Council to undertake the activity.

Reductions in State Government services is also causing councils to provide resources for State Government responsibilities, such as health, law enforcement and to subsidise transport facilities that are generally beneficial to all areas of the State, not confined to a council geographical area.

A conservative estimate of cost shifting and activities picked up by this Council during the 2011/2012 financial year is that Coonamble Shire Council contributed over \$500,000 to activity and function that are the responsibility of the State Government. This expenditure has a direct impact on Council's operating ratio. Councils cannot afford, nor should they be expected to provide services for the State Government without adequate resources to ensure the sustainability of the imposed burden.

*Proposed Objectives & Strategy:*

*Objective:*

(1) Council be adequately resourced by the State Government for any services delivered on its behalf.

*Strategy:*

(1) Lobby NSW Government to recognise and rectify its cost shifting activity.

**(3) Regional Roads:**

It is generally acknowledged Regional Roads were given to councils over 20 years ago without adequate resourcing to renew and maintain these roads.

Regional roads are link roads and arterial roads that provide economic benefit mainly to entities and organisations outside of Council boundaries.

The inadequate funding provided for regional roads has seen this category of road deteriorate to the point where an injection of funding is needed by the State Government that reflects the benefit to the State of these roads. The funding provided, in many cases, is less than the depreciation expense in a given financial year. This inequity can only have a detrimental effect on any council being fit for the future, it affects the renewal ratio, maintenance ratio, building ratio and operating ratio.

*Proposed Objectives & Strategy:*

*Objective:*

(1) Council provide and maintain appropriate levels of service for regional roads.

*Strategy:*

(1) Lobby NSW Government to adequately resource renewal and maintenance of regional roads.



**(4) Financial Assistance Grants:**

This funding has been provided to local councils for such a period that all council operations have this funding factored into their operating and long term financial plans.

Financial Assistance Grant funding needs to be maintained in real terms, councils have already suffered a significant reduction through the removal of the pensioner rate subsidy and pegging of the indexation of the grant.

There have been calls for a review of the current distribution of this funding to compensate rural councils where there is not the capacity to raise revenue through alternate methods that are available to metropolitan councils. This review must be undertaken to provide adequate funding sources, where capacity to raise revenue is limited.

*Proposed Objective & Strategy:*

*Objective:*

(1) Ensure an appropriate level of service to the community is possible within financial constraints

*Strategy:*

(1) Lobby NSW Government to review distribution of Financial Assistance Grants to ensure allocation is made to councils with a high need.

## How will your proposal allow your council to become/remain Fit for the Future against the criteria?

Reduction of imposed red tape by other levels of government will lead to greater:

- Efficiency
- Sustainability
- Effectiveness of local government

## 3.2 Rural Council Action Plan

Giving consideration to the Rural Council options, summarise the key actions that will be achieved in the first year of your plan.

Action plan	
Actions	Milestones
<p><b>Summary of key actions over the first year of the plan</b></p> <p>Council has prepared a fit for the future proposal building on its already identified sound financial performance. Any proposal not needing immediate action should be incorporated into Integrated Planning and Reporting strategies and actions.</p> <p>Formal reports can then be considered as part of the normal six monthly reporting required of the Delivery Plan. Budget review documents are taken to Council on a quarterly basis to ensure effective and efficient financial management is maintained.</p> <p>Responsibility for action rests with the Council and the General Manager to ensure implementation of the proposal.</p> <p>Council believes the logical starting point for implementing any improvement plan is a sound analysis of its current range of services, levels of service, structures and ability to deliver. Community consultation is necessary to determine services and levels of service.</p> <p>It is also imperative that the functions and operating structure of the Joint Organisation is known. Efficiencies identified by Council may be irrelevant if activity is to be undertaken on a broader regional basis.</p>	

### 3.3 Community involvement

Outline how you have consulted with your community on the challenges facing your council, performance against the benchmarks and the proposed solutions.

The community has had input into the process from before the release of the report by the Independent Panel. There had been community consultation to formulate Council's submission to the draft report.

Since the release of the report Council has kept the community informed of possible ramifications from various options put forward by the government.

The Mayor has, on numerous occasions, provided information and sought feedback through the monthly column in the local newspaper. Other members of the Council have provided information over the local radio and taken calls in regard to the fit for the future program. Senior staff have attended community group meetings and relayed information through community network groups.

Evening information sessions have been held for the community to allow for interaction. Staff information sessions have been held and feedback sought.

Council initiated a survey to gauge the community appetite for the various options on the table from the State Government. The survey response was overwhelming for the Coonamble Shire Council to remain a stand alone council within an ORANA Joint Organisation.

### 3.4 Other strategies considered

In preparing your Action Plan, you may have considered other strategies or actions but decided not to adopt them. Please identify what these strategies/actions were and explain why you chose not to pursue them.

*Eg. Council sought to pursue a merger but could not reach agreement.*

Council did consider amalgamation with Gilgandra Shire Council. This was discussed at several informal sessions of Council and at formal Council meetings. A community survey sent to all ratepayers and residents of the Shire returned an overwhelming response of not undertaking amalgamation. Gilgandra Shire Council has also resolved to reject any form of amalgamation with Coonamble Shire.

Council is unable to identify any rationale for an amalgamation with Gilgandra Shire. It is considered that the community of interest is substantially within the boundaries of this Council's geographic area.

## Section 4: Expected outcomes

4.1 Expected improvement in performance							
Measure/Benchmark	2014/15	2015/16	2016/2017	2017/2018	2018/2019	2019/2020	Total improvement over period?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-5.9%	-5.57%	-1.78%	-.12%	1.31%	3.61%	+4.5 points
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)	77.51%	75.08%	72.49%	73.88%	78.99%	82.04%	4.53 points
<b>Building and Infrastructure Asset Renewal Ratio</b> (Greater than 100% average over 3 years)	73.26	102.12	126.22	119.18	108.18	102.01	28.75 points
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	1.79	1.5	1.17	.94	.76	.63	1.16 points
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	122.39	124.28	109.25	107.7	107.91	108.12	Surpassed benchmark each year
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	2.17	1.52	1.17	.78	.98	.98	Surpassed benchmark each year
<b>Real Operating Expenditure per capita</b> A decrease in Real Operating Expenditure per capita over time	3.89	3.82	3.60	3.57	3.52	3.49	Decreased each year

## 4.1 Expected improvement in performance

Measure/Benchmark	2020/21	2021/22	2022/23	2023/24	2024/25	Total improvement over period?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	4.68%	5.49%	5.19%	6.08%	6.61%	12.51 points
<b>Own Source Revenue</b> Ratio (Greater than 60% average over 3 years)	85.41%	85.54%	86.71%	86.55%	86.93%	9.42 points

## 4.2 Factors influencing performance

Outline the factors that you consider are influencing your council's performance against the Fit for the Future benchmarks, including any constraints that may be preventing improvement.

Council has a senior management team that is motivated in the provision of service to the community and highly qualified and experienced in financial management and asset management to provide the guidance necessary to Council and the workforce to ensure sustainability of the organisation.

The workforce is capable, stable and broadly skilled across all facets of Council operations. The staff has a focus on efficiency and practicality in providing service and solutions to everyday issues.

This Council is in a sound financial position and has been for many years, as evidenced by numerous audit reports and Council's sound financial rating by TCorp. Council has recognised the necessity to be more flexible and positive as it moves forward and believes its financial plans and submission underpin this direction. This submission builds on an already functioning and financially well managed organisation, supported overwhelmingly by our residents and ratepayers.

Other relevant issues are: Roads Network and Cost Shifting:

(1) **Regional Roads** - Council has a large road network of which 17% (255kms) is regional roads. Council struggles to maintain these roads with the inadequate funding provided through block grant and repair programs provided by the State Government. Expenditure in real terms continues to fall on regional roads.

(2) **Local Roads** - Council has 1250kms of local roads. These roads service a rural economy that is predominately dominated by grain production. Higher mass limits of vehicles and greater numbers of truck movements over a shorter period impact disproportionately on Council's ability to quickly and adequately respond to damage caused by concentrated truck movements. There is no recognition through the financial assistance grant methodology for adequate recompense for damage caused in providing a road network to support huge economic production.



(3) **Cost Shifting** has a real impact on Council resources. Regulations imposed **on councils????** by the State Government places substantial costs on councils with little or no return.

Examples:

- Companion animals legislation
- Public health
- Swimming pool legislation
- Inadequate health resources / funding.

Councils continue to fund essential community services, at an ever-increasing cost, where the community has a need, following their withdrawal from council areas by other levels of government.

## Section 5: Implementation

### 5.1 Putting your plan into action

How will your council implement your Rural Council proposal?

*For example, who is responsible, how the council will monitor and report progress against achieving the key strategies listed under Section 3.*

Council believes the most effective way to put this plan into action is through the Integrated Planning and Reporting process. This way the principles of the above submission are included in the Community Strategic Plan and, more importantly, through the Delivery Program and Operational Plan over which Council has control and its progress monitored through reporting to and periodic consultation with the community.

The objectives and strategies identified within Council's proposal are at a high level. Action plans and a review of work practices and priorities at a lower level will need to be undertaken to underpin Council's overall vision. Council does follow a continuous review and improvement process and this will need to be more formalised and focused at the workforce to ensure overall objectives are achieved.

Overall the responsibility rests with the General Manager and Council to ensure implementation of the proposal.